



Georgia Department of Revenue Motor Fuel Tax Bulletin

Suspension of Increase of Prepaid State Tax Rates

on Motor Fuel Sales

Effective: July 1, 2014

May 30, 2014

In response to the dramatic increase in the price of motor fuel and aviation gasoline since the adjournment of the 2014 General Assembly, and because the increases have and will continue to impose significant financial burdens on all Georgians and Georgia's businesses, and because the significant increase in motor fuel prices will result in a windfall to the State in the form of surplus State taxes on those commodities, Governor Nathan Deal issued an Executive Order on May 30, 2014, suspending any increase in the "**Prepaid State Tax**" on sales of motor fuel for on-highway use and aviation gasoline by freezing the Prepaid State Tax rates at their January 1, 2014 levels.

As a result of Governor Deal's Executive Order, the *Prepaid State Tax* rates in effect for periods beginning on or after July 1, 2014 will remain the same as those previously set for January 1, 2014 and will be in effect until December 31, 2014. The Executive Order did not eliminate the Prepaid State Tax; it suspended any increase in the rates, and froze the rates at their January 1, 2014 levels.

The Executive Order suspending any increase in the Prepaid State Tax rates by freezing the current rates does **not** apply to "Prepaid Local Tax" (i.e., local sales and use tax). See the concurrently issued bulletin related to the Prepaid Local Tax for the average retail sales prices for each motor fuel type effective for the semiannual period beginning July 1, 2014, used to calculate Prepaid Local Tax (i.e., local sales and use tax).

The Executive Order issued on May 30, 2014, suspending any increase in the Prepaid State Tax rates (freezing the current January 1, 2014 rates) does not change the responsibility of licensed motor fuel distributors (suppliers) in the State of Georgia to continue to collect Prepaid State Tax and Prepaid Local Tax on all motor fuel sold to any purchaser not licensed as a Georgia distributor (unless otherwise exempt). This is in addition to the State Excise Tax rate of 7 ½ cents per gallon, which must also be collected at the time of sale (except for aviation gasoline, which is generally subject to a 1 cent per gallon excise tax).

Effective July 1, 2014, the following Prepaid State Tax rates must continue to be collected by the licensed distributor on all sales of motor fuel sold to any purchaser not licensed as a Georgia distributor:

<u>Motor Fuel Type</u>	<u>3% Prepaid State Tax Rate (State, County & Municipalities Only)</u>	<u>4% Prepaid State Tax Rate (All Other Motor Fuel Sales)</u>
1. Gasoline	\$0.088 Per Gal.	\$0.118 Per Gal.
2. Diesel (Clear/Dyed)	\$0.104 Per Gal.	\$0.138 Per Gal.
3. Aviation Gasoline	\$0.162 Per Gal.	\$0.216 Per Gal.
4. L.P.G.	\$0.059 Per Gal.	\$0.078 Per Gal.
5. Special Fuel (includes CNG)	\$0.087 Per Gal.	\$0.116 Per Gal.

FOR MORE INFORMATION

The Prepaid State Tax Rates are published semi-annually and are posted to the Department of Revenue web site in May and November of each year, or more frequently, if a revision is required due to a 25% change in the average selling price of any motor fuel during the tax period. Should you have any questions regarding this bulletin, please contact the Motor Fuel Tax Unit at (404) 417-6712, or visit the Department's Website at www.etax.dor.ga.gov. Persons with hearing or speech impairments may call our TDD line at (404) 417-4302.